

Inside & Out

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COMPAQ NEWS

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1989—The Year in Review

Many will remember 1989 as a year of upheaval. Natural disasters, political upsets and stock market seesaws marked 12 months in which little seemed to remain the same for very long.

The personal computer industry, too, was no stranger to change. Over the past 12 months, events and technology have given even long-time industry observers trouble in keeping up.

In 1989, Compaq grew to more than 9,000 employees worldwide and introduced a wide variety of new products, ranging from the very smallest full-function PCs to the most powerful and expandable personal computer system ever produced.

Although 1989 has proven to be another outstanding year for Compaq, those words don't begin to tell the story of the past 12 months. Here are some highlights of the company's accomplishments during 1989.

JANUARY

(Jan. 23) The COMPAQ ADVANCED GRAPHICS 1024 BOARD and the COMPAQ ADVANCED GRAPHICS COLOR MONITOR were introduced. These products are designed to meet the needs of those computer-aided design/engineering (CAD/CAE) users who need higher screen resolution than VGA and improved CAD performance within the industry standard.



Well over 7,000 Houston employees gathered Nov. 7 in the Astrodome for the largest meeting ever. The last time all Houston employees met at the same time was two years ago in CCM3 on the main campus. During the recent meeting, employees were treated to a shortened version of the Victory announcement, held the day before, got an update on company business by President Rod Canton and listened to musician Gary Morris perform.

Holiday greetings from your Compaq colleagues around the world

Feliz Navidad y Prospero Año Nuevo

Spanish

Merry Christmas and Happy New Year

English

Glædelig Jul og Godt Nytår

Danish

Prettige Kerstdagen en een

Voorspoedig Nieuwjaar

Dutch

Zalig Kerstfeest, Gelukkig Nieuwjaar

Belgian Dutch

Joyeux Noël et Bonne Année

French

Fröhliche Weihnachten und ein Frohes Neues Jahr

German

Buon Natale e Felice Anno Nuovo

Italian

God Jul og Godt Nytt År

Norwegian

God Jul och Gott Nytt År

Swedish

FEBRUARY

(Feb. 1) Compaq announced record sales of \$2.1 billion and record net income of \$255 million, or \$6.27 per share on a fully diluted basis, for the year ended Dec. 31, 1988. Sales for 1988 increased by 69 percent over previous-year sales of \$1.2 billion. Net income increased by 87 percent when compared with 1987 net income of \$136 million, or \$3.57 on a fully diluted basis.

International sales, excluding Canada, contributed 39 percent of the company's 1988 revenue, demonstrating substantial market share increases for Compaq.

(Feb. 3) Compaq Asia celebrated production of its one millionth printed circuit board (PCB). With the anticipated expansion of space under way, completion of the two millionth PCB was predicted for January 1990.

(Feb. 14) Compaq purchased an additional 744 acres of land across from its existing main campus in northwest Houston, bringing the company's total land holdings in the Houston area to 1,003 acres.

APRIL

(Apr. 3) Compaq announced the COMPAQ DESKPRO 286e, a new, small-

footprint 286-based desktop personal computer. Tailored to meet basic business computing needs, it incorporates a high-performance VGA graphics controller, one megabyte of memory, five available expansion slots, room for up to four storage devices and standard interfaces.

(Apr. 3) The company introduced MS-DOS Version 4.01 as published by Compaq. This latest release of the industry-standard operating system offers a number of enhancements while maintaining compatibility.

(Apr. 3) COMPAQ personal computers are now available in Santiago, Chile, through two Authorized COMPAQ Computer Dealers, Coasin Chile Limitada and Rimpex Chile Limitada.

(Apr. 6) In *Fortune Magazine's* annual listing of the 500 largest U.S. industrial companies, Compaq had risen to 202, 80 places higher than its year-earlier ranking. In addition, the company's 1988 sales of \$2.1 billion placed it among the 10 biggest gainers in sales increases.

(Apr. 10) Compaq opened Compaq Computer Norway A.S., a wholly owned subsidiary located in Oslo. The Norwegian subsidiary brought to nine the number of wholly owned Compaq subsidiaries operating throughout the world.

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Gary Morris

Gary Morris makes music for Compaq employees

In 1982, while Rod Canion, Jim Harris and Bill Murto outlined plans for the kind of company they wanted to start, singer Gary Morris was making *his* plans for the kind of musical career he wanted. At a Compaq Houston employee meeting nearly eight years later, Canion and Morris had a chance to compare notes.

"When I moved to Nashville to make Country & Western records, I knew I wanted to bring music into people's homes and give it quality," Morris recalls. "I wanted to make music that was more than just background for picking up girls."

His dedication to those ideals over the past eight years has brought Gary Morris recognition in places far beyond traditional Country & Western beer halls and honky-tonk bars. He has starred in the hit Broadway musical "Les Miserables," and appeared opposite Linda Ronstadt in the opera "La Boheme." He has also acted in "The Colbys" and other U.S. television programs.

But among Compaq employees he may be best known as the composer and singer of "Wind Beneath My Wings," the song that underscores a videotape featuring Rod Canion expressing his gratitude to all employees.

The fact that Compaq employees have a special fondness for his song prompted Morris' appearance at the company's recent employee meeting.

"Each year, I take about 10 or 15 days off from performing to go elk hunting in the mountains of Colorado," he explains. "This trip is so important to me that this year I turned down nearly \$200,000 worth of work in order to get away. When my manager called and told me about the request to perform at Compaq, I told him I couldn't do it because it was scheduled right in the

middle of my hunting trip. When he told me that the CEO of this company felt so strongly about his employees that he used 'Wings' as a way of thanking them, of calling them his hero... I said I'd go."

Although the song is not new (it was released in 1983 and won the Country Music Association's Record of the Year award in 1984), Morris says that he continues to hear from people who have been moved by it.

"'Wings' is a song of great power," admits Morris. "I've received cards and letters from people all over the world telling me that this song is very special to them."

"Personally, I take the song many different ways on many different days," he continues. "I sing it every time I perform, and I feel differently about it each time. Often I think about my parents when I sing it, because it's a song about strength, support and caring. Sometimes I sing it to my fans, because their support keeps me going. It's unique, because most songs are pointed in one direction, and this one can vary. And that was my intent."

Besides performing "Wings" at the Nov. 7 Houston meeting, Morris led the 7,000-plus assembled Compaq employees in a Country & Western sing-along. He then performed a song he'd written for his 16-year-old son, and another of his C&W hits. He concluded with a number from "Les Miserables." For an encore, he performed "Amazing Grace."

The range of songs he performs typifies Morris' career. He admits that many of his fans have a difficult time accepting the different facets of his performing life.

"People don't know whether to perceive me as a country performer or a theatrical performer or an actor," he concedes. "But my philosophy is: it's the

quality of your work and your efforts that should count, not what people expect of you. It's the quality of life you have that's important."

Although Morris has had no formal musical training, his natural talent has taken him in many unexpected directions. The tall Fort Worth, Texas, native had hoped to play professional football but got sidetracked by the small band he joined when he was in school. He has never shirked from new challenges.

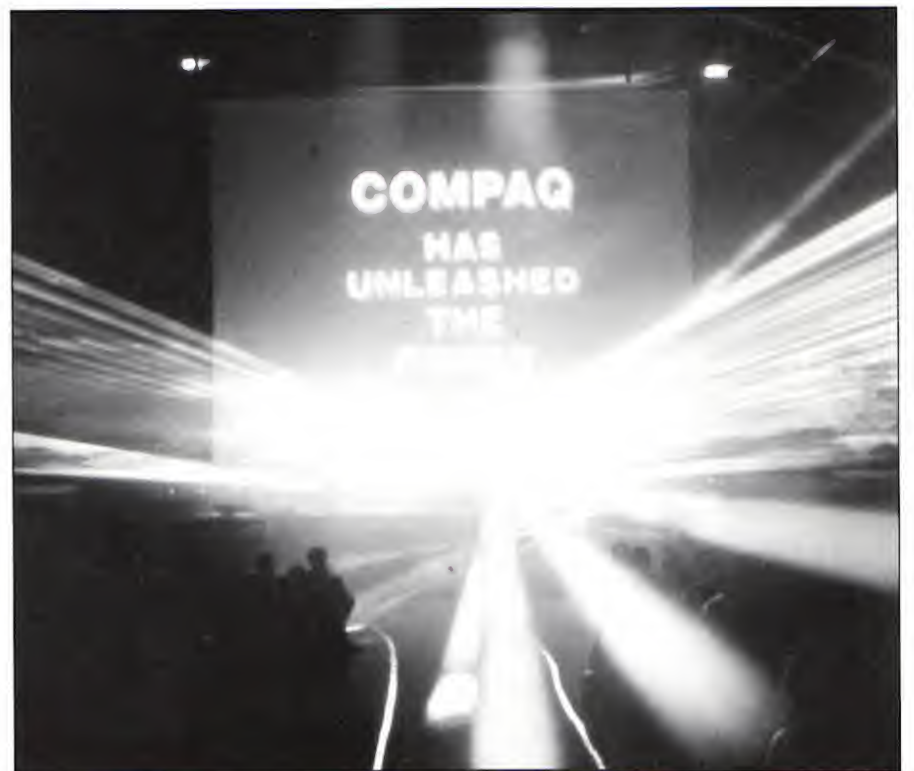
"I've never shut doors that were open to me," he maintains. "If a door is open, I look inside and say 'That might be fun.'"

That enthusiastic attitude led him

to his lead roles in "La Boheme" and "Les Miserables."

"I've only seen two operas in my whole life and I was in both of them," he laughs. "I had no idea how much work it would require or how I'd be criticized when I took the role on Broadway. And yet, that's one of the things I'm most proud of in my life."

Becoming a success in any field, Morris believes, requires a willingness to expose yourself to the point where you might fail or you might succeed. "It's the journey you take in life that's important," he maintains. "There may be goals, but in the end, the goals are not as important as the road you take."



At the announcement event held at the Astrodome in Houston, new Compaq products received an enthusiastic response from dealers, industry analysts, corporate accounts and members of the press.

After October earthquake

Pleasanton staff members bounce back

As she slipped behind the wheel a bit early for her 50-mile drive home to Stockton, CA, Renee Ralston knew leaving the Compaq Pleasanton office at 5 p.m. meant heavier traffic. She knew there would be a birthday dinner with her husband and friends in Stockton. But she couldn't have known this birthday would cast a longer shadow in her memory than any other Oct. 17.

"I knew something was wrong as I drove out of the parking lot," said Ralston, Regional Administration Manager in Western Operations headquarters. "At first I thought it was a flat tire. When I stopped my car and got out to check, I knew it wasn't a flat. Everything was moving. I kept waiting for the shaking to stop, but it kept going."

This earthquake registered 7.2, far below the magnitude of the "big one" expected to strike California within a century. But physical and emotional harm

demned due to damage that included foundation breaks, broken support tiers and a six-inch gap from a crack in his roof.

"I had insurance; I'm faring well and I'm moving into an apartment in Pleasanton," Bruce said. "Except for a trip into the city when residents were allowed to pick up personal items weighing less than 20 pounds, I haven't been back to my home. I won't go back, either."

Trying to escape the bad memories has been easier for Bruce because of Compaq people. He said, "It's a good feeling to work for a company that cares when you go through something like this."

Compaq facilities in Pleasanton suffered no damage, in part because the office is in a newer building designed to absorb tremors.

Although Ralston had left at 5 to celebrate her birthday, she said many Bay-Area residents departed even earlier to be home before 5 Pacific Daylight Time for Game 3 of the World Series. Had more of the early commuters left at that time, it was speculated the death count would have been far greater.

"The quake was so powerful, they felt it in Stockton, 50 miles away," Ralston said. "My husband and brother called to see if I was OK."

Nearly everyone in the Compaq office reported no bigger problems than fright.

District Sales Manager Colleen

Harper lives in San Francisco's Marina area, which is built on landfill. She remained at home without a phone, concerned about looters and afraid that if she drove out of her neighborhood, authorities might not let her drive back in. Still, the trauma failed to dent Harper's sense of humor.

"We can't complain if we only suffered property damage. We can replace property. We can't replace people."

"Some people looked at my place and told me it should be condemned," she quipped. "I told them that was just my decorating style."

In a more serious moment, she said, "We can't complain if we only suffered property damage. We can replace property. We can't replace people."

An Authorized Dealer, Charles Anderson of Nynex, tried a creative computer solution after the quake. Sixteen stories high in a San Francisco building and in total darkness, Anderson grabbed a COMPAQ SLT, turned up the light intensity level and led an estimated 40 people down the stairs to safety. One of his sales people told a salesman for a rival PC company in the same building, "It's too bad you don't have a battery-powered laptop like this one from Compaq."



Ruby Ford

Proud Mother

When she joined Compaq six years ago, Ruby Ford had no idea whether her company or her son, Johnny Bailey, would succeed.

Ford enjoyed the small-company atmosphere at Sommer-meyer. Yet, in her words, growth came so quickly, "I looked around one day and all of a sudden we weren't small."

Back home, her son, Johnny, then a Yates High School sophomore, wasn't progressing as well as Compaq.

"Johnny had discovered girls and wasn't interested in school work after that," his mother recalls. "I'd say, 'Johnny, what about your homework?' He'd tell me, 'Don't have any, mama.' His grades started going down. I even paid to send him to summer school one year."

Ruby Ford's diligence paid off, both as a line worker at Houston's CCM3 and as Johnny Bailey's mother. There were bumps along the way with Johnny. As a Yates senior, Ford says, he was contacted by 28 major colleges wanting him to sign football scholarship agreements with them. But he was ineligible to play at a major college after his high-school grades began to slide.

In 1986, he enrolled at Texas A&I in the south Texas community of Kingsville, which had been famous for its spacious King Ranch. Now the town has Johnny Bailey to brag about. On Oct. 14, the senior halfback became the leading career runner in college football history.

Tony Dorsett held the old record—6,082 yards—set in his four full seasons at the University of Pittsburgh. After Bailey played his final regular-season game for Texas A&I Nov. 11, he had run for 6,320 yards. His total might have been zero had his mother had her way.

"I didn't know anything about football when Johnny started playing, and I didn't want him to have anything to do with the sport," she says. "I'd ask, 'Why do you want to play football? Why don't you just do the other sports? Don't you think football is a little dangerous?' I couldn't talk him out of playing."

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"None of our people was injured. We were lucky."

and at least \$7 billion in property damage heaped on their community in 15 trembling seconds will always live with Bay-Area Compaq employees.

"None of our people was injured," Ralston said. "We were lucky."

Only Field Support Technician Robert Bruce lost his dwelling, a duplex in San Francisco. The property was con-

MANY THANKS



The Mail Services staff, responsible for handling the ever-increasing task of distribution for all of Compaq—including Inside & Out—recently moved to a new facility off the main Houston campus. Thanks for doing a tough job for the entire company! Pictured are: (bottom row from left) Steve Baker; George Kapacinskis; Dawn Brown; Angie Feazel; (top row from left) Rodney Malone; Rob Hemsworth; Jimmy Whitehead; Randy Jensen; Rosemary Purdy; Becky Nieto; George Sedillo; and Robert Anders. Not pictured are Keith Standley and Robert Livingston.

Many changes highlight another successful year

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(Apr. 26) Compaq reported first quarter sales of \$683 million, a 55 percent increase compared to first quarter sales in 1988. First-quarter net income of \$83 million, or \$1.95 per share on a fully diluted basis, represented a 78 percent increase over net income of \$47 million, or \$1.21 per share, reported for the corresponding quarter of 1988.

Compaq sales outside North America accounted for 46 percent of first quarter revenue.

MAY

(May 5) Compaq announced that COMPAQ personal computers would be available in Venezuela through two Authorized Dealers.

(May 7) In the largest Compaq employee picnic ever held, more than 19,000 Houston employees and their family members flocked to Astroworld, a local amusement park.

(May 18) Organizational changes reflect the company's growing role as a worldwide leader in the personal computer industry. Eckhard Pfeiffer was named President, Europe and International Division, headquartered in Munich, Germany. Michael S. Swavely was named President, North America Division, based in Houston.

(May 22) Compaq introduced three models of the COMPAQ DESKPRO 386/33, the most powerful and expandable desktop personal computer in the world. Designed for such demanding applications as computer-aided design, financial modeling and software development and for use as a file-server or multi-user host system, the 33 MHz system delivers a 35 percent performance improvement in processor-intensive applications over 25 MHz 286 cache-

based personal computers.

At the same time, Compaq introduced a new model of its 386SX-based COMPAQ DESKPRO 386s with more standard storage capacity and an enhanced version of the company's high-performance Fixed-Disk Expansion Unit.

(May 23) Compaq Computer A/S, a wholly owned subsidiary of Compaq, was opened in Copenhagen, Denmark, to support the growing number of end-users and Authorized Dealers in Denmark.

(May 30) Plans were announced to expand the Compaq manufacturing and office facility in Erskine, Scotland—the second expansion announced for the facility since it was opened in 1987. The \$37.5 million expansion is expected to be operational by the second half of 1990.

JUNE

(June 6) Compaq reported that its share of the European personal computer market grew to 10.2 percent during the first quarter of 1989, making it the second largest supplier of PCs to the European business market.

(June 28) The Compaq Computer Foundation announced that it was donating 1,000 personal computer systems to the Houston Independent School District for instructional use in district classrooms. The donation was one of many made this year to Houston-area schools, school districts and such charitable organizations as the Houston READ Commission and the Houston Public Library.

JULY

(July 14) Compaq announced that it had signed a patent cross-licensing agreement with IBM under which each



On May 7, a Houston amusement park was the setting for the largest Compaq employee picnic ever. More than 19,000 employees and their family members gathered at the park to enjoy the rides, shows, food and fun.

company granted to the other a worldwide, non-exclusive license that covers patents having an effective filing date before July 1, 1993.

(July 24) ComputerLand Corp. announced The Network Edge, a program developed in collaboration with Compaq and Novell, Inc., to help ComputerLand dealers sell more effectively to the growing LAN market.

(July 26) Compaq second quarter net income rose to \$84 million, a 43 percent increase over net income reported for the second quarter of 1988. Sales for the 1989 quarter were \$722 million, a 58 percent increase over sales reported during the year-earlier second quarter.

For the first six months, net income was \$167 million or \$3.89 per share on a fully diluted basis, as compared with \$105 million, or \$2.66 per share on a fully diluted basis reported for the first half of 1988. Sales for the first half of 1989 were \$1.4 billion, compared with \$896 million during the corresponding 1988 period.

AUGUST

(Aug. 21) Compaq introduced COMPAQ QuickFind, a powerful new support tool to help Authorized Dealers provide improved customer service while saving time. A compact disc read-only memory (CD-ROM) support reference library, COMPAQ QuickFind is packed with published documentation on all COMPAQ products.

(Aug. 29) Three COMPAQ products were selected for awards in *PC World Magazine's* 1989 World Class Awards marking the sixth year in a row that at least one COMPAQ product has been honored by *PC World* readers. In the "Desktop Computer" category, the COMPAQ DESKPRO 386/25 won first place. The COMPAQ PORTABLE 386 captured the "Transportable Computer" category, and the COMPAQ SLT/286 was voted number one in the "Laptop Computer" category.

SEPTEMBER

(Sept. 14) Compaq announced that it had purchased the former Wang

Laboratories manufacturing facility in Stirling, Scotland, near its existing Erskine manufacturing plant. The plant will serve as a base for the company's European service, spares and repair operation.

(Sept. 28) Compaq extended its successful government sales program to California, allowing state agencies to buy Compaq computers through Authorized Dealers.

OCTOBER

(Oct. 16) Compaq introduced the COMPAQ LTE and COMPAQ LTE/286, the first notebook-sized computers to offer full PC functionality in packages measuring just 8½ by 11 inches.

(Oct. 25) Compaq revenue for the third quarter rose to \$683 million, a 36 percent increase over sales of \$502 million reported during the third quarter of 1988. Net income for the quarter was \$87 million, a 51 percent increase over net income of \$58 million reported in the same quarter the previous year. Earnings per share rose to \$2.02 from \$1.40 in the corresponding period a year ago.

For the first nine months of 1989, net income was \$254 million or \$5.91 per share on a fully diluted basis, on sales of \$2.1 billion. For the first nine months of 1988, Compaq reported net income of \$163 million or \$4.06 per share on sales of \$1.4 billion.

NOVEMBER

(Nov. 6) At the Astrodome in Houston and at other locations throughout the world, Compaq announced major products—COMPAQ SYSTEMPRO Personal Computer System, COMPAQ DESKPRO 486/25, COMPAQ LAN MANAGER 386/486, and MS-OS/2, Version 4.01, products that revolutionized the personal computer industry and "unleashed the power" of the Extended Industry Standard Architecture it had announced a year ago.

(Nov. 7) Nearly 7,500 Compaq Houston employees gathered in the Astrodome for an employee meeting. New product videos and a performance by singer Gary Morris highlighted the event.



The newly purchased manufacturing facility in Stirling, Scotland, near the existing Erskine manufacturing plant, will serve as a base for the company's European service, spares and repair operation.

A precaution a day keeps the virus away...from your PC

Many people observed the passing of Friday, Oct. 13, with great relief. But few were more grateful to see the day pass with relatively little fanfare than those Compaq employees involved in maintaining computer security.

It had been feared that Compaq, with its worldwide network of computers, might be among those affected by a computer virus that was rumored to strike on Columbus Day (Oct. 12) or the day after.

Within a personal computer or network of personal computers, a computer virus can wreak havoc—either destroying any stored information or making that information inaccessible to users.

Anticipating the rumored virus "attack," the computer security task force focused on making sure Compaq computers throughout the world were virus-free.

Network administrators ran virus-detection software and scanners on all file servers and individual personal computers in which "infection" was suspected.

"Although the 'Friday the 13th' virus was not detected, three viruses on eight different PCs were found and eliminated before they caused any problems," notes Ken Santoro, Security Analyst in the Information Management Security group. "But that doesn't mean there is no more threat to our networks."

All Compaq employees who have access to personal computers should be aware of the roles they play in maintaining the integrity of the network. Although security measures are in place, they are only useful if every employee supports them.

Although some aspects of maintaining security for the PC and the computer networks are technical, there are several basic steps all employees should take to keep their computers free of viruses and other unwanted intruders. Here are some tips, courtesy of the Information Systems Security Awareness Program.

- Be very cautious about programs acquired through bulletin boards or

other unauthorized means.

"We're emphasizing the general rule: 'Be aware of share-ware,'" notes Santoro. "Files downloaded from general-access bulletin boards are dangerous if you don't check them out carefully. In fact, we believe that more than 70 percent of all computer viruses are spread by people downloading a program they think might be useful from a bulletin board. Any time you access a public bulletin board, you not only subject your PC to viruses, but you expose the company's network as well."

- Back up the files on your computer regularly. Although "regularly" might mean different things to different people, it helps to imagine what would happen if you had to recreate all your files. If the impact would be devastating, it's time to back them up.

- When you leave your office, log out of the computer network.

"Leaving your network PC on-line just invites people to use your access codes to enter the network themselves," says Santoro. "Anyone could then have access to all your files. They could write memos to people using your name. Or they could insert a virus program. Given access to the network, there's no end to the amount of damage a vandal could do."

- If you're going to be away from your office for a while, lock your door. Even if you think you're just going to be away for a few moments, it's a good idea to lock up. A five-minute break could turn into an hour-long conference in the hall with a colleague over a knotty problem. And a computer hacker requires only a few minutes to attack your PC.

- If you have the opportunity to create or change your access codes, do so. Try to come up with a code that's not too obvious. "Anyone with a little knowledge of your family, birthday and anniversary could probably figure out your access codes, since most people use such references," says Santoro. In addition he suggests using a long code word—the likelihood of anyone decoding a

password that's more than five letters or digits in length is very small.

- Don't share your access code with anyone else. And don't insert your password into a batch file to avoid going through the full security process each time you log on to the network.

Most viruses are spread inadvertently; few are spread on purpose. So, even if you know the person who has handed you a floppy disk, it's wise to be cautious. "You can't trust a file completely if you don't know where it's been," explains Santoro.

If you suspect that your files have

been infected, or you just want to be safe, you can request a scan or a virus detection program from your server administrators. "These programs don't detect *all* viruses, but they detect many of them with a great degree of confidence," Santoro maintains. And the software is constantly being updated—while the first version of the program detected 35 viruses, the current version detects 41 known viruses.

"We need everyone's attention and support to keep our computing networks free from viruses," notes Santoro. "Computer security is everybody's business."

Golf pros headline Compaq clinic

Authorized Dealers and their customers were recently treated to a day of golf with professionals, thanks to the Central Operations Southeast Region of Compaq in Atlanta.

The First Annual Compaq Golf Tournament and Clinic was held at the Eagle Watch Country Club-Arnold Palmer Course in September. Leading the clinic and playing golf with Compaq guests were

professionals Tom Kite and Ben Crenshaw.

The day-long event included a luncheon, dinner buffet and awards ceremony.

A "Closest to the Pin" contest was held and a COMPAQ SLT/286 Model 20 was the grand prize. Golf clubs and bags and gift certificates were among the other prizes for various contests.



Scott Pierson, Major Account Manager, left, and golf professional Ben Crenshaw.

Bailey sets football rushing record

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Now she doesn't try. She's pleased her son received a football scholarship when his grades didn't qualify him for a major college. She's pleased he will have a chance to play in the National Football League next year. She's pleased he will have a good education should pro football not work out. But she's not pleased with some of the punishment her son takes during games.

"When there's a hard tackle," she explains, "you'll hear somebody in the stands say, 'Wow, what a hit!' But if you're a mother, you say, 'Oh God, that's my son they knocked down.' I've learned a lot about football watching Johnny's games through the years, but I've never gotten used to seeing him hit hard."

Ford, who works the first shift at CCM3, drove to Kingsville for many of A&I's home games. That meant getting to bed early Friday night and pulling out of

Houston with friends about 7:30 a.m. Saturday. Arriving at lunch time, Ford cooked for her son, whose home games were played Saturday night. She would return to Houston Sunday and be back at CCM3 Monday morning.

Watching him play next year might be harder, especially if he's in Seattle, Miami or some other distant city. But he's almost certain to be drafted by a professional team. Though only 5 feet, 8¾ inches and 185 pounds, Bailey's quickness, durability and reputation make him a strong prospect. Most professional teams now are eager to draft smaller running backs because rule changes in the passing game several years ago favor quick players once considered undersized.

Bailey probably will earn a job in the NFL next season. Perhaps he will succeed as quickly as the company his mother joined six years ago.

Facilities Department wins award

The Compaq Facilities Department recently won a second-place award from the American Institute of Plant Engineers (AIPE) for the design of the main campus in Houston.

Bob Moore, Project Manager, New Construction, accepted the award in Louisiana in October. According to Moore, the annual contest draws entries from companies all over the United States. Awards are given for successful solutions to specific problems in facilities management.

The main problem faced by the Compaq Facilities Department has been to develop a corporate headquarters that could accommodate rapid expansion. Also, the department was charged with providing flexible buildings with a high-tech look suitable to a computer firm, maintaining harmony with the existing environment and remaining a good neighbor to nearby neighborhoods—all while being cost-efficient.

"The results of Compaq expansion have been better than the company could have anticipated," Moore writes in his

contest entry. "The site has a high-tech look, yet the surrounding landscape has been preserved. Employees enjoy working at Compaq, as evidenced by the turnover rate, which is below the industry average.

"The material conveyor spine saves \$2.3 million annually in trucking costs and potential loss or theft. An incinerator burns trash to produce chilled water (for cooling Compaq buildings), saving over \$400,000 annually. Above any other cost saving is the increase in productivity of each employee. This productivity is enhanced by allowing employees to get to any building on site within eight minutes by using the enclosed elevated walkways or a shuttle system," his entry concludes.

Moore attributes part of his department's success in designing the campus to consensus management. "Every individual is encouraged to participate in the decision-making process, and no decisions are made until everyone is comfortable with the outcome. The Facilities Department uses this technique in designing buildings."



CCA9 construction is progressing.

CCA9, 10 construction moving along

In early March, the first Houston employees are slated to move into two new administration buildings on the main campus, CCA9 and 10. The buildings are located across Park River Drive from CCA7 and 8.

Bob Taylor, Facilities, explains that the first employees to move will occupy the ground floors of both buildings instead of filling all floors of one building before starting on the rest as in the past.

Parking Garage 10—which will serve CCA9 and 10—will be complete in February.

The new buildings will be connected to Parking Garage 9, located across the street, and CCA7 and 8 by a personnel spine.

CCA9 and 10 will eventually be connected to the planned CCA11, 12 and 13 through the NPR (Non-Production Receiving) Building.

RIDE 'EM



The newly formed Compaq Equestrian Club held a trail ride last month at the Marshall Tract across the street from the Houston main campus. The day-long ride,

which included a lunch break at the picnic facility, took the 30 employees and their family members through the wilderness of the Compaq acreage.

i n t e r n a t i o n a l F O C U S



Compaq Belgium continues to surpass expectations

June 30, 1988, was a banner day for Compaq. On that day, two new products and an international subsidiary were successfully launched. The two products—the COMPAQ DESKPRO 386/25 and the COMPAQ DESKPRO 386s—have made an impression on personal computer buyers and users worldwide. And the new subsidiary, Compaq Belgium, has flourished in the tradition of Compaq.

From its opening celebration on the grounds of a picturesque old chateau on the outskirts of Brussels, Compaq Belgium has displayed great flair. More than 300 Belgian and international dealers, representatives of the press and major accounts attended the event, which was so well organized that even the gardens were planted in Compaq colors of red, orange and yellow.



Conferring on Compaq Belgium's successful entry in the BUREAU '89 trade fair were (from left to right) Eric Janssen, General Manager of Compaq Belgium; Louis Tobback, Belgium's Interior Minister; Paul Bastin, Chairman of the trade fair; and Pol Vanbierrliet, Sales and Marketing Manager of Compaq Belgium.

Compaq Belgium soon settled into its home in modern offices in Zaventem, just outside of Brussels, Belgium's capital city. Although Paris is often called the "city of light," Brussels is so well illuminated that it is said to be the one city astronauts could see clearly from the moon.

Brussels is the capital of the European community as well as the headquarters of the North Atlantic Treaty Organization (NATO). It also houses the largest international press center in the world, so Compaq Belgium's location puts it near the center of all European diplomatic and strategic activity—similar to a U.S. company located near Washington, D.C.

Celebrating success

Compaq Belgium's sizzling growth rate inspired many employees to wish for warmer climates—particularly during the cold Belgian winter months. Denise Ispiro, Executive Secretary, proposed a Latin American theme for the subsidiary's New Year's party, and staff members rose to the occasion.

Although everyone was expected to dress in the style of an Argentinean gaucho, they were forbidden from spending money on costumes. So most people improvised with old clothes and donations from friends and family. A group of gaucho music players performed and prizes were awarded to the employees wearing the best costumes. First prize went to party planner Ispiro.

To celebrate completion of the subsidiary's first year in business, Compaq Belgium employees and their spouses were treated to a tour of Brussels on board a restored antique tram or trolley car. Afterwards, the group gathered in an antique tram museum for a buffet dinner celebration.



On the subsidiary's first anniversary, Compaq Belgium employees were treated to a tour of Brussels on board an antique tram.

Compaq Belgium's first trade fair

As it entered the beginning of its second year in business, Compaq Belgium decided to spread the word about its achievements through participation in a trade fair.

Not just any trade fair, mind you, but Belgium's largest trade fair, BUREAU '89. Held each September, this trade fair signals the opening of trade fair season in Europe.

Because this fair is open to the public, Compaq Belgium chose to offer its booth as a forum for its Belgian Authorized COMPAQ Computer Dealers, who jumped at the opportunity to participate. Compaq organizers were surprised to discover that the reservations they had made for a 432-square-meter space did not take into account the full extent of dealer interest, since more than 18 dealers responded to the invitation. Each of the 18 dealers sent two to four sales people to the booth, where they shared floor space with several COMPAQ personal computers and

peripherals, COMPAQ staff members and hostesses.

Despite the cramped quarters, Compaq Belgium's participation in BUREAU '89 has been hailed as a tremendous success. Not only was there great enthusiasm among all the dealers and Compaq employees, but the Compaq exhibit received tremendous recognition due to a successful advertising campaign targeted at creating a strong and consistent image for the company.

Positive results

It's often hard to see tangible results from participation in an event such as BUREAU '89. But the Compaq Belgium trade show appearance resulted in immediate impressive sales increases for participating dealers.

Compaq Belgium staff members involved in organizing the subsidiary's participation in the trade fair can testify that planning such an event is not easy. But, the results—in terms of visibility, image and increased sales—are well worth the effort.



Compaq Belgium employees braved the cold winter months by planning a New Year's party with a Latin American theme. Employees enjoyed traditional Argentinean music and foods at the fiesta.

| Country Profile | |
|--------------------------|--|
| Country: | Belgium |
| Language spoken: | Belgium has two official languages, French and Dutch, and a third recognized language, German. |
| Head of State: | King Baldwin I |
| Prime Minister: | Wilfried Martens |
| Population: | 10 million |
| Subsidiary Profile | |
| Name: | Compaq Computer N.V./S.A. Weiveldlaan 2 B-1930 Zaventem Belgium |
| Established: | June 1988 |
| Part of: | Europe International |
| No. of employees: | 25 |
| No. of dealers: | 34 |

GRAND-SLAM



The first annual Fall Compaq Softball Tournament was held recently at Sportsman's Park in Houston. The Blues Brothers won the men's tournament and 1st String won the coed. Each member of the winning teams received a Compaq T-shirt. All players were treated to a barbecue lunch.

We want your news

Remember, we want your story ideas for *Inside & Out*, the employee newsletter. Just send suggestions and information to Inside-Out Suggestion([corp Rel@ Mkt Hou](mailto:corp_rel@Mkt.Hou)) on the Banyan electronic information and communications network. By the way, the B-mail system thinks Suggestion is the last name of the address, so type "suggestion" to get the Popname listing. You can also reach us at mail code M070502 in Houston.

SPECIAL VISIT

Students in the Cy-Fair, Spring and Houston school districts arriving at school recently were surprised to find that Saint Nicholas had paid them a secret visit during the night. Houston Compaq employees had helped Saint Nicholas by participating in The Volunteer Center's A Visit From Saint Nicholas program for underprivileged children. The 1,000 stockings, filled by employees, friends and family members during three workshops, were each stuffed with a teddy bear, rubber ball, coloring book, crayons and more. Approximately 110 employees participated in the charitable event.



PARTING SHOTS



As we approach the end of another outstanding year, ongoing construction ensures that Compaq will be ready for even greater successes in the decade ahead.

COMPAQ

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